A Research Proposal

on

Talent Management Practices in the Service Sector-A Case Study of Punjab & Haryana

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1. INTRODUCTION

“Talented Employees build an organization and are the gateways to success”- human resource managers, the world over, have come to realize this fact and are burning the midnight oil in working out strategies towards this end. It is the employees’ talents and skills that define the future of a business by giving it a competitive edge over others. “Talented workforce” is the only scarce resource and corporate have come to realize this fact. This is the very reason why retention occupies the topmost seat in the human resource manager’s “to – do” list. Retaining talent is the need of the hour, in today’s dynamic and competitive era. This is exactly what led human resource managers the world over to search for a newer way out of this crisis because the traditional approaches were no longer able to sustain employees. This quest for a better concept led to the birth of talent management – a newer approach conceptualized to move towards retention of talentship. Since then, there was no looking back and the field of literature on talent management started growing leaps and bounds and within a short span of time “Talent Management” has become the mantra for corporate success. Though the concept is not of recent origin its value augmenting ability has been recognized only recently. Companies which initially thought of talent management as a means to solve high employee turnover, have learnt to incorporate it in their corporate strategy itself with a key responsibility placed on the line managers. However, in the Indian context, talent management as a concept is quite young, leaving room for a lot of ambiguity and lack of clarity to exist for practicing professionals.

1.1 Talent management- defined

A discussion on Talent Management would be incomplete without an understanding of the word “Talent”. Talent in general parlance refers to a natural recurring pattern of thought, feeling or behavior that can be productively applied. Talent is natural and innate but knowledge and skills needs to be acquired through learning and practice. Talent enlarged with skill and knowledge leads to individual

strengths (Buckingham & Clifton, Now, Discover your strengths, 2001). It is inclusive of people with high potential, transformation and change seekers, individuals who are usually sought after in the market and those who are able to add direct value to business. The term talent management is an extension of the word talent and includes the entire gamut of activities and steps that organizations undertake to retain talent worthy individuals. Various authors have defined talent management as follows:

Murthy (2010) defined talent management as “managing the entire employee lifecycle from attracting and hiring to promoting and finding a successor upon retirement. It also includes identification of the key gaps between the talent in place and the talent required to drive business success.” (Jackson & Schuler, 1990) view talent management as the job of “ensuring the right person, in the right job at the right time”. Rothwell (1994) describes talent management as “a deliberate and systematic effort by an organization to ensure leadership continuity in key positions and encourage individual advancement.” Buckingham & Vosburgh (2001) State that Talent is critical because it is the role of a strong human resource function to manage everyone to high performance.

However, there is no single or concise definition of talent management. A synthesis of all the above definitions reveals that talent management is a broader issue and can be equated to a mindset. Survey of several other practitioner oriented literature describes talent management as a key component to effective succession planning while some others claim that talent management is attempting to make all the employees work at the top of their potential. In conclusion, it can be inferred that talent management is a wide term encompassing a long list of activities revolving around creation of talent pools. Thus, these definitions provide the required background and serve as a curtain raiser for the present study.

1.2 Talent management – roots

Talent Management as a discipline owes its origin to 1990s, when there was an awakening that hit the corporate world – “that of the need for retaining talented

people and curbing attrition". This was when, for the first time, companies came to realize the immense value of the Human Asset for organizational success. In today's talent-hungry market scenario, one of the greatest challenges that organizations are facing is the "revolving door". Corporates of the present era have realized that retaining is equally important, rather than trying to acquire a new talent - due to cost associated with retaining employees versus developing new ones. The need of the hour therefore is to successfully attract, assess, train and retain talented employees and the "talent management" is the key to this. Talent Management includes an exhaustive list of activities ranging from Planning, Recruiting, and Developing, Managing, and Compensating employees throughout the organization.

1.3 Managing talent - the talent performance criteria

There are mainly two diverse perspectives on managing talent based on the talent performance criteria. One regards talent as an unqualified good, and urges for talent to be managed according to performance levels. To be more elaborate, highly competent performers are to be sought, hired, and differentially rewarded regardless of their specific role. This perspective believes in Top grading (Smart, 1999) i.e. packing the entire company with A level performers with no place for B or C level performers. This is what we know as "War for Talent" - a term coined by McKinsey in 1997 which emphasized on the fact that organizations need to compete against each other for a scarce resource i.e. talent (Michaels, Handfield-Jones, & Axelrod, 2001).

The second perspective regards talent as a mix and opines to manage general performance pools of talent i.e. to manage a mix bundle of talent (mix of A, B and C level performers) and appreciate this mix batch to the high organizational performance (Buckingham & Vosburgh ,2001); (Walker & Larocco, 2002). This perspective requires development of people and processes through proper collaboration and communication among all levels of organization.

1.4 Talent management – goals

Reilly (2008) has rightly stated that the key to effective talent management is the alignment of Talent management philosophy with the organization-employee psychological contract. This can be materialized only when the goals of talent management strategy are clear to the organization, so that they act as torchbearers. This section therefore attempts to highlight the major goals that a talent management strategy needs to accomplish. Berger & Berger (2004) have outlined three main goals of Talent Management Strategy which are as follows:

a. To identify, select and cultivate employees that demonstrate superior performance and inspire other to perform.
b. To find, develop and position highly qualified backups i.e succession planning.
c. To disseminate resources like mentoring, training, compensations etc. to employees based on their competencies.

A synthesis of the above facts leads us to conclude that Talent management refers to managing the entire employee's lifecycle, from attracting and hiring to promoting and finding a successor upon retirement. This view was also supported by Murthy (2010).

1.5 Talent management vs traditional approach – a comparative analysis

The dynamic nature of global business is putting an ever-increasing pressure on companies to be constantly on the lookout for exceptional talent. This has led to the emergence of the talent management discipline which is gaining quick impetus. Corporate have also been quick in responding positively to this by shunning the traditional approach and adopting the talentship route. The traditional approach, followed in the yesteryears was that of people development - from the perspective of developing competencies in the organization. This, however, was a risk-prone approach, owing to the fact that competencies become redundant with time and

new competencies need to be developed, especially for companies operating in fast evolving industries. Thus, over time, the traditional approach to development of people became obsolete calling for, a rethinking exercise, of the entire development initiative. This was when a need for a newer and better concept was felt – and thus came talent management.

In contrast to the traditional approach, Talent management is a newer approach which focuses on enhancing the potential of people by developing capabilities. Capabilities are the basic strengths of an organization as well as an individual. They are what demarcate an average performer from a top performer. The talent management approach, thus prescribes a detailed and scientific process for developing individuals so that they can deliver breakthrough results. The nine step process can be explained as follows:

Step 1: Translating organizational vision into goals and mapping the required level of capacities and competencies to achieve goals.

Step 2: Assessment of talent to profile the level of capacities and set of competencies possessed within the organization and those needed.

Step 3: Gap analysis and identification of development path.

Step 4: Aligning individual values and vision with organizational values and vision.

Step 5: Enhancing capacities to learn, think relate and act through development initiatives.

Step 6: Helping individuals realize their full potential through learning and development.

Step 7: Facilitating a clear understanding of the varied roles within the organization and appreciation of the value-addition from self and others leading to building a culture of trust, sharing and team orientation

Step 8: Fostering individual growth to meet and accept varied, incremental and transformational roles in an overall scenario of acknowledged need for change

Step 9: Successful creation of developed individuals capable of delivering breakthrough performance

1.6 Talent management – ingredients

Once the need for the concept has been realized, the next big question to be answered is definitely about the composition of talent management. An organization aspiring to successfully implement talent management, should focus on developing the Capacity to learn, think, relate, and act which act as essential ingredients of a well grounded talent management approach. In addition to this, the individuals values also play a key role – because they help in discriminating amongst alternatives and act as the bedrock for decisions. To be more specific, values are multipliers which enhance the individual's four capacities, a sigma of which reflects the individual's true talent.

Thus:

Talent = (LQ + CQ + RQ + AQ) X Values (Mohan, 2009)

1.7 Talent management – scope

The scope of talent management extends to a wide range of activities, capable of delivering a synergistic effect to ensure a maxi-maxi scenario (Thomas & Raghavan, 2000). Those activities can be summarized as under:

1. Identifying the Talent which is required
2. Right Selection of the Talent
3. Implementing competitive compensation plans
4. Training and continual development of Competencies
5. Practicing state-of-the–art performance appraisal systems
6. Aligning the acquired Talent
7. Developing and nurturing the Talent, and
8. Retaining the Talent

1.8 Talent management – need

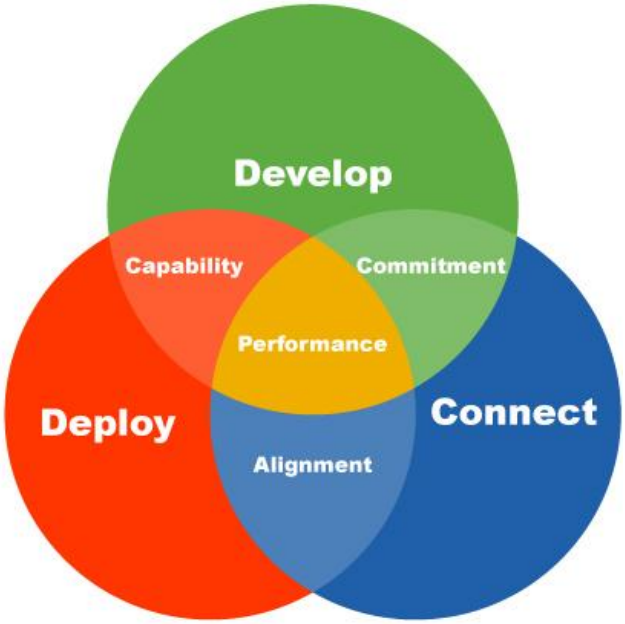
Organizations are facing a dearth for talent and hence are striving hard for retaining talent – with an increased need being felt for talent management practices to be adopted in organizations. (Cross, 2007) has very aptly described the need for talent management in his study wherein he highlighted the following trends which are influencing the relationship between employer and employee and have major impact on talent management (Cross, 2007).

a. Bargaining power of the talent has been increasing due to the shortages of talent in the market.
b. People are showing increasing desire to work to live, than live to work.
c. Companies are not able to provide long-term security to their employees.
d. Today, people want a greater meaning from their work.
e. With information boom, people are more aware of their market value and how different people operate.

These trends have added to the worries of managers who now are on their toes because simply securing the best talent will no longer ensure competitive success. The secret to sustained competitive success is to build a talent-powered organization that sustains and builds all the skills needed to compete.

1.9 Talent management theoretical framework – Delloitte

Deloitte Research (2004) is one of the pioneers to recognize the importance of talent and developed a framework for talent management. According to this framework Develop-Deploy-Connect model should be at the core of an organizations talent strategy.



Source-Deloitte research 2004

Any Organization can improve its business performance by generating capability, commitment and alignment among key employees. Instead of running after metrics and outcomes they must focus on these three issues. This in turn would lead to increased commitment, capability and alignment among major work force segments thereby resulting in improved business performance.

Develop: Signifies developing employees by not just off the job training but by mentoring from peers and others.

Deploy: Signifies identification of skills and capabilities of an employee to find the best job-employee fit within the organization.

Connect: Signifies providing tools and guidance to critical employees in the organization to enhance performance by enhancing quality of interaction among critical employees.

1.10 Talent management – the Indian scenario

India stands no exception to the global crisis for talent. Talent management is of particular importance to India, because of the ever escalating need for talent in the current and future scenario. Attrition is the deadly dragon eating into the roots of

an organization. In this “talent –drought” hit scenario HR managers are required to identify the talent gap and forecast talent shortfalls and focus organizational plans and initiatives on improving the availability of needed talent. India is still on the pathway to achieving a developed status and lack of talent can make this dream impossible. Since India is an emerging economy with impetus on strong and continuous economic growth, there has been a rise in outsourcing and off shoring to India which has led to a competitive job market demanding individuals who are multi-taskers and possess new competencies. In India, local and multinational companies face significant challenges of retention, wage inflation, and battle for new graduates who are talented. Corporates are fighting for grabbing talent, because turnover is high, and people in Indian companies are more willing to relocate in search for greener pastures. Relocation is the voice of the new millennium and talented employees are quite prepared to leave a company to bump up their salaries. This has led to a war for talent amongst competitors who are fighting to lure employees away from each other by offering better compensation.

A team of researchers from Villanova School of Business examined the talent management practices of 28 companies operating in India. Researchers surveyed 4,811 of these companies’ employees about their attitudes toward their employers, including their intentions to stay or leave and found that despite salary increases averaging more than 15% annually in some industries; annual turnover rates among young professionals are averaging 15% to 30% and go as high as 50% (Grant, 2008). The explosive combination of ballooning salaries and rising attrition signals a tight market for talent that could constrain India’s growth in the future.

In response to this, the IT services sector in India has been developing some of the best people and talent management practices in the world. For example, the acute shortage of hotel rooms in cities like Bangalore has led to Infosys building its own accommodation – so much that it will reportedly become the largest ‘hotelier’ by numbers of rooms in India (Grant, 2008).

The automobile industry is also not far behind. In the light of high attrition rates in Indian automobile industry maruti linked variable pay to the financial performance of the company with a greater focus on cash variables i.e. formulations of salaries which are linked to performance, in addition to increasing its entry level pay by almost 10% (Philip & Chauhan, 2011).

Thus, all this brings us back to the bottom-line that the future belongs to companies that can incorporate and practice “talenship” as a regime. In this era of dynamism, it is talent and only talent that can bridge the gap and lead an organization towards success. This is what makes talent management a vital area of study for researchers who aim to find out its value addition ability. The present study is also conceptualized with this objective in mind. It focuses on identifying the talent management practices being employed in the services sector in Punjab and their contribution towards the organizational success.

2. LITERATURE REVIEW

Transformation and Change are the only static forces of the new millennium. The present era is characterized by dynamism which is creating ripples in the business arena. The resultant factor is intensified competition which is leading to the “Survival of the fittest” syndrome. Organizations are fighting for their share of the pie and they have woken up to the fact that in a bid to become the global leaders, talented employees are the key. With the world changing at a fast pace and new markets opening up, new ways of working have also been devised. In this age of globalization where talent and brainpower are becoming the predominant currency, managing talent has become imperative for business success. Companies must not work only to attract and retain talent, but also equip employees with the necessary skills to become leaders. This has led to a rat race between companies who are fighting it out to adopt the best talent management strategies and practices. Owing to this fact talent management is being recognized as an important area of study by researchers in a bid to explore the best out of the

concept. The interrelated nature of talent management and its ability to contribute positively to an organization's growth has led to a lot of studies being carried out to calculate its net worth in charting a success story. A few of the studies that have provided groundwork and have given direction to the present study have been cited herewith.

2.1 Studies related to talent management practices

Recruitment is the first and most vital step in creating a talent base. The effectiveness of any organization rests on the effectiveness of its employees and most basic idea behind talent management also lies in recruiting the right person for the right job. Groschl (2009) conducted a study to explore corporate diversity statements of major internationally operating hotel groups and found hotel companies with diversity management strategies and policies in place need to communicate their diversity management activities and actions more extensively and clearly via their corporate web sites. This activity acts as the starting point for good talent management system by supporting employee recruitment efforts and attraction of talent with different educational and cultural backgrounds. Communicating in this structured way provide organizations with a key sustainable competitive advantage in talent recruitment, CSR and market accessibility. Further Analoui (2007) identified the importance of competency based recruitment practices. His argument states that attraction and selection of talent requires a flexible and well-designed competency based recruitment system for various sections of work force. Competency based recruitment system is the starting point towards management of talent in any organization. Once the recruitment system in any organization is streamlined, the second phase of talent management will be proper training and development of employees. Beal (2005) in an exploratory study carried out in "UPS" found that in the yester years employees were advised to leave the organization if they aimed at career growth in the same organization. However with the passage of time UPS realized the need and importance of talent management and deployed talent management practices like job rotation, cross functional movements, and stretch work assignments in their organization which

brought about a complete change in their talent management philosophy. These employee development practices have led to retention of talent and the organization realized that losing employees is not the key to growth. Hay (2002) conducted a primary study to identify three important factors for employee attrition emerging out of improper talent management practices. Three factors leading to employee attrition are lack of use of skills and abilities, unhappiness with the boss, and a lack of opportunity to learn new skills. Talent management practices like employee training over regular intervals to develop skills, offering Job rotation making employees use their different skills can be exercised to retain employee for a longer period of time with the company. He also cites that employees may not stay with the company for ever but by using talent management practices like managing the entry of employees or by developing their skills, organization can increase the time frame of stay of employees.

Govaerts et. al (2010) in an exploratory study to identify ways to retain talent conducted in professional organizations collected a sample of 972 employees and concluded, to retain employees it is important to pay attention to learning of employees. Learning and development of employees plays a key role in talent management strategy. In order to retain people, organizations should allow people to learn more and do more in what they are good at. This kind of talent management practices leads to satisfied employees which lead to retention. The study further identifies a positive relationship in intention to stay with the company and age of the employees. Using different talent management practices, the company is able to retain employee for a longer period of time, the less will be the intention of employee to leave job.

Mitra , Gupta, & Shaw (2011) in a study conducted across 214 organizations found that skill based pay plan leads to positive workforce attitude towards the job. This practice of skill based pay leads to better talent management in the organization in form of satisfied and retained employees. Further

Kuvaas & Dysvik (2005) in a cross-sectional survey of 803 employees across three organizations located in Norway tested the relationship between performance appraisal reactions and employee outcomes in terms of affective organizational commitment and work performance. The findings revealed talent management practices in form of good Performance Appraisal are directly related to affective commitment by employees. Grobler, et. al (2002) identified reasons for people leaving organizations and found inadequate compensation to be often the main reason for the same. Equity theory is fully applicable in real time in organizations as if employees believe that they are being treated unfairly, particularly in terms of their remuneration, tension emerges and employee's propensity to leave organization will increase. Talent management practices like performance based pay should therefore be targeted to engage employees and incentivize them to perform. Such performance should be met with reward, and the ability to retain good people should naturally follow. On similar lines Sigler (1999a) found Talent management practices such as incentive based pay may be the answer to retaining highly talented people. Moreover these ways of talent management screen out the poor performers. Sigler (1999b) further found that all talent management practices will fail if equity is missing in the organization i.e. it cannot be expected of good performing employees to be satisfied with their work and working environment if poor performing employees are tolerated. Similarly Byars & Rue (2000) found that good talent management in form of proper employee reward system affects the job satisfaction. Extrinsic rewards can have a significant impact on the intrinsic rewards of employees which may ultimately render them dissatisfied. Talent management practice in form of performance based pay, make employees to feel that they have accomplished something decreasing their propensity to leave the organization. Walter, Stephen, & Jonathan (2009) studied talent management across 28 Indian firms involving 4811 professional-level employees and identified intrinsic rewards as a critical element in employee retention, satisfaction and career success. Four antecedents of intrinsic rewards: The social responsibilities of the employer, pride in the organization, manager support, and performance management have been identified.

Cappelli (2008) emphasizes on the need for synchronizing the employee needs with the organizational needs. This in his opinion is an important pull factor which would lead to retention. Employees whose needs are aligned with that of the organization are less likely to leave. Harris & Brannick (1999) also have a similar view and opine that successful recruitment requires the alignment of and organizations employment efforts with that of its culture. Cappelli (2008) also advocated a retention strategy by proposing the organizational alumni concept wherein a network would be established with the past as well as current employees and also focuses on the need for freedom, within an employee's domain of activities and tasks. A task which does not guarantee freedom and flexibility will never be done whole heartedly. The organization exercising a degree of freedom to its employees will have improved retention due to commitment and feeling of belongingness

Harris & Brannick (1999a) have identified the following key talent management practices that organizations need to adopt in order to retain talent:

- Create a win-win relationship with your employees.
- Reward desired behavior thereby promoting organizational values.
- Offer intangible benefits coupled with the regular pay benefits.
- Move towards a learning organization by incorporating on-going training in the organization's culture.
- Ensure work-life balance.
- Assist employees to see how they fit in with the organization's overall goals and objectives.
- Provide avenues for a healthy degree of freedom to exist in the employees roles and responsibilities.

Harris & Brannick (1999b) in another study carried out by them opined that successful talent management system involves alignment of the organizational recruitment with the company's organizational culture. According to them, the culture of good customer service, innovation and operational excellence should be

pursued only if company is able to attract and retain the right talent. They further proposed the following key best practices for achieving the same:

- Treating all applicants as customers by ensuring that all applicants, even if unsuccessful, have a positive experience.
- Inculcating an image of leadership and industry experts in the communities in which they operate.
- Being honest and pragmatic about both the positive and negative aspects of working for the company.
- Recruiting a talented applicant without regard to whether or not a vacancy exists. i.e. enhances your talent pool.
- Utilizing a multitude of recruitment methods and involving different people from different departments in the process i.e. multidimensional approach.
- Pursuing the applicants who best fit the company's culture.

2.2 Studies related to talent management and its impact

Singh & Sabbarwal (2010) in an exploratory research found that due to the increasing emphasis on intangible assets such as brand names, innovation, creativity, and entrepreneurship, success will only lie with the companies that can harvest the potential of their key resources – their employees . Even the vision and strategy of a company are not as important as the people that drive the company into the future. Based on a sample study of 70 respondents from the public and private service sector employees, a measurable set of factors that constitutes Talent have been identified by the researchers. Communication, organizing, creativity & accountability, analysis & probing, action and leadership quotient are the set of factors that have been identified to constitute talent. The further inference is that if talent can be measured then it can definitely be managed.

Boudreau & Ramstad (2005) have defined the term Talentship –which according to them refers to logical, reliable and consistent framework leading to enhanced and accurate decisions about key resources. They have proposed a direct correlation

existing between the evolution of talentship in an organization and overall organizational success and growth.

H.C Bridge framework propounded the decision science view of talentship, which proposes a decision framework consisting of three anchor points: efficiency, effectiveness and impact. This framework helps in improving HR decisions using a consistent and logical point of view by linking talent resources to strategic organizational success. The anchor points can be elaborated as follows:

Anchor point 1: Efficiency
Efficiency signifies the resources like policies and practices needed to deliver human resource practices.
Anchor point 2: Effectiveness
Effectiveness judges the impact of human resource policies and practices on the talent pool and structure of the organization, resulting in aligned actions of target talent pool.
Anchor point 3: Impact
Impact studies the deviation from the targeted strategic success by questioning the quality of different talent pools and their effect on strategic success.

An understanding of this framework would enable practitioners in the field to gain competitive advantage through hiring and retaining the best and most contributing employees. In a nutshell, it helps in strengthening the lifeline of an organization which is none other than its talent pool.

Ordonez de Pablos (2004) opines that sustainable competitive advantage springs from internal qualities of an organization which are hard to imitate. Human talent is undoubtedly a vital tool for achieving sustainable competitive advantage. He has concluded that amongst the three widely known sources of competitive advantage vis-a-vis human capital, relational capital and structural capital, human capital is the most significant of all.

Hills (2009) in an exploratory study conducted in a company named EMI in Music industry found that in time of recession there is need for a headcount reduction to save costs, but with the simultaneous need to retain core talent to aid the businesses recovery. The need for organization going under restructuring is ‘‘Cost Down, Talent Up’’ approach but simultaneously Talent management needs to be approached strategically by using retention strategies such as bonuses and progression opportunities and by investing in development of key people who are identified through talent audit.

Wyatt (2003) in his study found that companies having a vigorous approach in building internal leadership capacity through talent management practices such as succession planning, are having better financial returns, growth in net income and market share.

An exploratory study conducted by CCH Incoprated (1995)evaluated the financial impact of talent management practices and found that four financial measures namely market/book value, Productivity Index, Market value and sales increase with the quality of talent management Practices.

Huselid (1995) in a primary study conducted to trace the effect of talent management practices on economic returns of the firms found that top 15 companies in terms of using good talent management practices registered 7% increase in sales, $3800 increase in profit per person and increase of $18,600 in market value per employee.

2.3 Studies for developing talent management indices:

Jones & Newhouse (2004) conducted a research to investigate the relationship between talent management indices and personality traits. They emphasized on studying the role of personality as a tool in any talent management system. Their

research focused on identifying those personality factors that have a bearing on talent management. They primarily worked on assessing whether talent management indices like leadership potential, leadership style, sales potential, creative potential etc. can be predicted from narrow personality traits. They used a double cross validation strategy on respondents of the United States and concluded that personality plays a predominant role in predicting talent management indices.

Deborah & Kathy (2009) proposed a framework for talent management in the real estate sector to drive home the fact that talent management plays a crucial role in an organizations success. They highlighted on the need for developing an integrated framework for integrating talent management strategies by including multiple generations in their research. Their framework outlined five key elements namely attracting, selecting, engaging, developing and retaining, which provide a holistic approach to achieving competitive advantage through addressing crucial talent issues. In conclusion they recommended five strategies in the proposed talent management framework which would help real estate practitioners to measure performance on all fronts and attract and retain talent in an increasingly competitive market.

Derry (2008), attempted to study to role of talent management in reducing turnover in the hospitality and tourism industry. She proposed a theoretical and practical framework for reducing employee turnover vis–a–vis addressing work life balance issues and their impact on an individual decision to stay or quit from an organization. In conclusion she recommended the strategies like flexible working hours, good role models at workplace, sound recruitment cum training opportunities and company family friendly work policies for retaining talent.

2.4 Studies relating to talent management challenges

Nair (2009) identified an ever-increasing pressure on corporates to constantly lookout for incomparable talent in a market where demand far exceeds supply. Considering the relationship between talent and an organization's business

challenges and strategies, effective talent management strategy requires appropriate amounts of the right people with the right skills and knowledge, in the right roles. Focus of talent management tends to be on management and executive positions but the issues apply to all jobs that are hard to fill. This makes talent management a demanding issue facing business executives. The various challenges identified in managing talent are:

- Attracting highly qualified candidates
- Identifying and developing talent for key positions in the organization
- Retention of key performers
- Maintaining high levels of employee engagement
- Optimizing compensation to match organizational objectives

Guthridge, Komm, & Lawson (2006) also carried out a study to find out the challenges of talentship and reported that senior managers largely blame themselves and their business line managers for not giving enough time and attention to the issue of talent management. Organizations are not able to manage talent due to the lack of collaboration of policies and procedures across the organization.

Erickson (2008) in his study identified the following challenges to Talent management:

- Attracting and retaining enough employees at all levels to meet the needs of organic and inorganic growth
- Creating a value proposition that appeals to multiple generations
- Developing a robust leadership pipeline
- Rounding out the capabilities of hires who lack the breadth of necessary for global leadership.
- Transferring key knowledge and relationships
- Stemming the exodus of Gen X'ers from corporate life
- Redesigning talent management practices to attract and retain Gen Y's
- Creating a workplace that is open to Boomers in their "second careers."

- Overcoming a "norm" of short tenure and frequent movement.
- Enlisting executives who don't appreciate the challenge.

Mullen (2008) published a report on talent management outlining the views, values and need for young managers belonging to Gen Y. The following major challenges have been identified for the organizations to manage these young talents in the form of the following expectations they have from the company:

- Belief in building transferrable skills.
- Always need access to good facilities
- Complete freedom at work
- Thrive to handle lot of task at one time
- Happy to blend their work with personal life.
- Willing to work for organization with strong values only.
- Willing to sacrifice personal life for job.
- Work hard for a while and then take time off.
- Believes there is no point to be excessively loyal to any organization.

3. NEED OF THE STUDY

The idea of developing talent is not new; the need for talented employees has always been existent right from times immemorial. However, the crisis for talented employees has struck the corporate world only today, due to the changing paradigms of workforce in the present era. With mobility no longer a concern for workforce and shift in the psyche of the Gen Y, retaining talent is becoming a crucial job of the human resource managers. This has led to a global war amongst conglomerates for devising and incorporating suitable talent management practices into their systems. All these factors have brought talent management- as a discipline of study, at the helm of affairs. The present study was conceptualized due to this very fact itself. An extensive review of literature was carried out to explore further into this area. A detailed analysis of the work done in this regard reveals that companies are facing talent crunch in this competitive era which has put pressure on them to attract the best talent and ensure that employees join the

company and choose to stay in the organization rather than finding opportunities elsewhere. In the literature reviewed, many researchers have defined talent management with diverse views but not many studies have tested the concept empirically. Another unexplored area has been the relative importance of the various components of talent management for the employees. The existing studies have not been able to address the issue of identifying the value of various talent management components and the weightage they carry for the employees. The issue of employee and management perception regarding the effectiveness of talent management practices has also not been touched upon. The present study gains direction from the above cited gaps, and intends to explore further on the existing talent practices, their effectiveness and the challenges faced by organization and the employees in heading towards a talentship based structure.

4. RESEARCH OBJECTIVES

a) To assess the relative importance of various components of talent management for the employees.
b) To evaluate the effectiveness of talent management practices used by different organizations to manage talent.
c) To identify the challenges of talent management both for organization as well as employees with respect to service sector.
d) To compare the talent management practices in different verticals of the service sector.
e) To explore the possibility of developing an index to measure the effectiveness of talent management practices.

5. HYPOTHESIS

$H_0$1: There is no significant difference between the importances an employee lay on various components of talent management.

$H_0$2: There is no significant difference in effectiveness of talent management practices used by different organizations to manage talent.

$H_0$3: There is no significant difference in talent management practices of different verticals of the service sector.

6. RESEARCH DESIGN AND METHODOLOGY

A survey design has been chosen to reach the research objectives. A cross-sectional design will be used, where a sample is drawn from a population at one time (Zechmeister, Zechmeister, & Shaughnessy, 1997). On the whole the study will be descriptive in nature implying natural observation of the characteristics of the research subject without deliberate manipulation of the variables or control over the settings.

6.1 Survey of secondary sources

In order to get a complete understanding of the concept of Talent management, its operation and implications, secondary data from all possible sources is essential. Most of the literature has been reviewed through books and journals. The secondary data has been helpful in understanding the domain of Talent management and gave the most vital strategic direction to the present study.

6.2 The study population

The present study is focused on all levels of employees in an organized service sector. The choice of service sector is necessitated by the fact that the contribution of the services sector to the Indian economy has been manifold: a 55.2 per cent share in gross domestic product (GDP), growing by 10 per cent annually, contributing to about a quarter of total employment, accounting for a high share in foreign direct investment (FDI) inflows and over one-third of total exports, and recording very fast (27.4 per cent) export growth through the first half of 2010-11(economic survey, 2010).

For the sake of feasibility and economy the scope of the study has been narrowed down to four verticals of service sector in the state of Punjab, Haryana, and Chandigarh (UT).

The present study will cover the following four verticals of service sector chosen on the bases of growth these sectors have registered over the years. (economic survey, 2010).

i. Banking and Insurance
ii. Hotels
iii. Organized Retail
iv. IT & ITES

6.3 Sampling technique and sample size

The Stratified sampling technique will be followed to draw the sample from all four prominent verticals of service sector from states of Punjab, Haryana and Chandigarh (UT).

Top 5 organizations of each vertical will be selected on the basis of multiple criteria which are as follows: market capitalization using findings from the Capitaline database, market leadership using data from the survey's carried out by pioneer survey agencies in the related field, minimum 10 years of existence of the organization, or strength of workforce which should be greater than or equal to 100. The response will be sought from 10% of the employee strength upto maximum of twenty five employees per organization, selected on basis of convenience. Two approaches would be used for data collection by stratifying employees further into two heads namely top management and employees. Top management would include employees from the managerial cadre or the highest authority available on duty at the time of survey. The second group would constitute employees belonging to the non-managerial cadres which would be inclusive of middle and lower level employees and workforce also. The instrument

of research for obtaining information from management and employees would be structured questionnaire.

6.4 The research instrument

Data will be collected through structured questionnaire having the following subparts:

a) Assessment of relative importance of talent management practices.
b) Assessment of effectiveness of talent management practices.
c) Identification of challenges of talent management.
d) General information: Question in this section will seek to collect information about the organization such as sector, number of employees, personal particulars of the respondents (anonymous)

6.5 Administration of the instrument

The instrument will be administered personally by the researcher, to the respondents after assessing its reliability, validity and pilot testing the questionnaire.

In order to reach out to the respondent's suitable communication channels would be used depending upon their physical location. Data would be collected through personal visits, personal e-mails, e-mails on professional networking sites, intranet of different organizations with their due permission and a website can be created especially for the purpose of seeking response to the questionnaires.

It is believed that personal visits shall be instrumental in having first hand 'look and feel' of the work environment, having a conversation with the respondents and simultaneously obtain responses to the questionnaire.

6.6 Statistical analysis: The filled in questionnaires will be checked for completeness and then analyzed with the help of SPSS. Appropriate statistical

techniques will be used for analyzing the data and interpreting the results. Techniques like Factor Analysis, Correlation etc. have been used in similar studies reviewed.

Thematical qualitative analysis will be conducted for analyzing the transcript of an in-depth interview.

7. PROPOSED CHAPTERIZATION

Chapter I	Introduction
Chapter II	Review of literature
Chapter III	Research Methodology
Chapter IV	Relative Importance of Talent Management Components for Employees
Chapter V	Effectiveness of Talent Management Practices used by different organizations to manage talent
Chapter VI	Challenges of Talent Management both for organizations as well as employees
Chapter VII	Comparison of talent management practices in different verticals of the service sector
Chapter VIIII	Conclusions and Recommendations
	Bibliography
	Annexures

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